MaineHealth

December 11, 2012

To: MaineCare Redesign Task Force

Fr: Katie Fullam Harris, MaineHealth

Re: Comments Regarding Draft Report

Commissioner Mayhew and Members of the MaineCare Redesign Task Force, thank you for the opportunity to comment on the draft report. It is clear that a great deal of work went into this effort, and overall its recommendations are headed in a positive direction.

Background

MaineHealth is the state's largest integrated health care system, serving 11 counties in Maine. MaineHealth is comprised of nine member hospitals, three affiliate hospitals, and our Physician Hospital Organization includes over 1100 physicians throughout our service region. MaineHealth recently created an Accountable Care Organization, MHACO, that is intended to partner with governmental and commercial payers to test new payment strategies that will incentivize reduced cost of health care while maintaining or improving quality. MHACO is currently designated as one of 89 ACOs that has contracted with the Center for Medicare and Medicaid Services' Medicare Shared Savings Program. MaineHealth's vision is "working together so our communities are the healthiest in America."

MaineHealth's member providers provide the full continuum of care to all patients, regardless of ability to pay or source of coverage. Individuals enrolled in MaineCare are an important segment of our patient population, and we are eager to see the program evolve to better meet the needs of patients. Thus MaineHealth has a vested interest in the outcome of the Task Force's efforts, and we welcome the opportunity to comment on its recommendations.

Overview

The Task Force is to be commended for completing a thorough analysis and open process related to redesigning Medicaid for Maine beneficiaries. Yours was not an easy task, and you approached it thoughtfully, analytically and methodically. As a result, MaineHealth is comfortable with many of the recommendations included in the report. In the interest of time, I will focus my comments on those recommendations upon which we have particular questions or concerns.

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Hospital Acquired Conditions

MaineHealth supports the exploration of payment methodologies that reward high quality and value health care. The Task Force's recommendation to expand the list of HACs to mirror that of Maryland appears rational on its face, however there is a major distinction – and concern – between the Maine proposal and the Maryland policy: Maryland applies financial penalties to hospitals that have above average rates of the 49 designated HACs, however it does not refuse all payment for the services associated with those conditions. In fact, its program is revenue neutral, providing financial incentives to hospitals with low rates of HACs. While the Task Force's recommendation is not totally clear as drafted, we believe that the implications to any change to the HAC policy need to be carefully considered, and, to the greatest extent possible, aligned with the policy implemented by Medicare.

Modification of the Current Readmission Policy

The average readmission rate for Medicare patients in Maine hospitals is significantly below the national average (www.dartmouthatlas.org). The readmission data on the Medicaid population that is presented in the report shows Maine's average rate to be significantly higher than the national average. This data does not comport with our well-documented Medicare experience, and thus raises significant questions, as Maine's health care systems are investing resources in preventing readmissions for all populations. That being said, Maine's health care systems are also working hard to reduce hospital readmissions even further. Reducing hospital readmissions is a complex task that requires action at all levels of the health care system, including providers and patients. It appears that the proposed Task Force recommendation would penalize hospitals for readmissions that occur within 14 days of discharge by refusing payment for those readmissions altogether. This would be overly punitive, as not all readmissions are preventable, and, in fact, some are appropriately planned within short time windows to expedite care.

The Medicare program has spent years developing a program that penalizes hospitals with higher readmissions rates by reducing – but not eliminating – their payments. This program is thoughtful and serving its intended purpose – to improve quality and reduce cost by lowering the rate of readmissions. MaineHealth supports the goal of reducing hospital readmissions and believes that there will be justified cost savings associated with a responsibly developed policy. We strongly recommend that MaineCare align its hospital readmission policy with that of Medicare rather than further developing its own outlier program which may have unintended consequences.

Value-Based Purchasing

MaineHealth has been participating with DHHS in its Value-Based Purchasing efforts, and we are eagerly awaiting the unveiling of the final phase – the Accountable Communities Program. Our patient-centered medical homes are seeing good success in improving outcomes, and particularly for patients with chronic illness. Further alignment of financial incentives with improved outcomes and quality will be another important step towards delivery system design that better supports patient-centered care. MaineHealth has been very supportive of the Department's stated goal to partner with provider-led ACOs in Maine to improve the value of health care provided to Medicaid enrollees. We are one of 89 ACOs that is participating in the Medicare Shared Savings Program, and we believe that Medicaid has much to gain by aligning its efforts with those that are underway with Medicare.

The Task Force has recommended that the Department partner with a Care Management Organization (CMO) to help in the implementation and management of the Value-Based Purchasing initiative. This raises questions for us, as provider systems are investing a great deal of resources in the development of high quality, evidence-based care management. Our own Physician Hospital Organization has invested in care managers in our primary care practices for years, and with a well-documented success. This recommendation is potentially highly duplicative of our own investments and potentially detrimental to our larger goal of creating efficiencies and better alignment of health care providers serving our patients. While we recognize that the Department may need different tools to manage the program more effectively – improved data, for example – it will be very important for the Department to identify and manage those relationships carefully so they complement the good work being accomplished by Maine's provider systems.

Reinstate Benefits for Smoking Cessation and Dental Care

MaineHealth strongly supports the Task Force's recommendations to reinstate Medicaid benefits for smoking cessation and dental care for individuals with dental pain who use emergency departments at hospitals. Dental pain is a well-known cause of preventable ED utilization, and the Task Force recommendation will likely save the State significant funds as patients access more appropriate dental care.

Smoking cessation will also result in avoided MaineCare costs. We know that a high proportion of individuals enrolled in the Medicaid program smoke, and we also know that evidence-based tobacco treatment works, doubling and sometimes tripling quit success. Furthermore, the important benefits of reducing smoking mount quickly. For instance, the risk of heart attack drops immediately on quitting and returns to that of someone who has never smoked after about five years.

The resulting financial rate of return is proving to be even more dramatic: Following implementation of provision of tobacco treatment medications to Massachusetts Medicaid recipients it was found that for every $1.00 invested, there was a $3 savings in medical costs.

Consequently, the provision of access to treatment for tobacco dependence presents a rare convergence of need, a clearly targeted population, the availability of evidence-based treatment, clear health benefits to the individual and a dramatic ROI on expenditures. The benefits to individual health, public health and state fiscal health are all served by making tobacco treatment available to MaineCare recipients.

Benefit Design Changes

While the Task Force had limited time to complete its purpose, we had hoped that it would spend more time identifying potential benefit design changes that could be used to encourage improved health and appropriate use of medical care. We recognize that the federal government places significant limitations on States' ability to modify benefit design, but this is an area where we need to begin thinking out of the box. Improved health outcomes and reduced costs to the system will only occur when patients and providers are equally engaged in improving outcomes. We believe that identifying and implementing benefit design changes (understanding that some may require a waiver) that promote the best use of medical care will be an important piece of the puzzle in the future.

Thank you for the opportunity to present our comments. I would be happy to answer questions.